

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In re Applications of)

ATLANTIS HOLDINGS LLC, Transferor,)

and)

CELLCO PARTNERSHIP D/B/A)
VERIZON WIRELESS, Transferee)

for Consent to the Transfer of Control of)
Commission Licenses and Authorizations)
Pursuant to Sections 214 and 310(d) of the)
Communications Act)

WT Docket No. _____

**DESCRIPTION OF TRANSACTION,
PUBLIC INTEREST SHOWING
AND RELATED REQUESTS AND DEMONSTRATIONS**

June 13, 2008

SUMMARY

Cellco Partnership d/b/a Verizon Wireless, with its wholly-owned subsidiary AirTouch Cellular (collectively, "Verizon Wireless"), and Atlantis Holdings LLC ("Atlantis Holdings"), hereby request the Commission's consent to transfer control to Verizon Wireless of Atlantis Holdings' interests in various radio station authorizations, spectrum leases, and domestic and international Section 214 authorizations held by ALLTEL Corporation ("ALLTEL"), its subsidiaries and controlled partnerships, and partnerships in which ALLTEL has a minority, non-controlling general partner interest. As discussed herein, the proposed transaction satisfies the Commission's standards for approval, does not implicate unjust enrichment or trafficking, and does not require any waivers of the Commission's rules. The applicants thus ask that the transaction be approved on an expedited basis.

The transaction brings together the complementary capabilities of Verizon Wireless and ALLTEL to produce significant public interest benefits. Verizon Wireless will be able to create a truly national facilities-based network by using ALLTEL's regional operations to fill existing network gaps.¹ ALLTEL's customers—who generally reside in small- to mid-sized cities and rural areas—will enjoy the benefits of a seamless national network; award winning Verizon Wireless-quality services; and rapid access to broadband services. Verizon Wireless customers across the country will benefit from enormous synergy savings totaling at least \$9 billion as well as a truly national network poised to provide next-generation wireless broadband capabilities. Furthermore, a speedy transition will be ensured because the two companies have common network technologies and complementary geographic footprints.

¹ The map contained in Exhibit 2 highlights the new geographic areas that Verizon Wireless will serve following the proposed transaction.

Specifically, the requested consents will produce the following substantial, cognizable public interest benefits:

- For rural America, the transaction will facilitate the expansion of wireless broadband service to the rural areas that comprise a large portion of ALLTEL's footprint. Verizon Wireless has already deployed Evolution-Data Optimized Revision A ("EvDO Rev. A") high speed broadband technology to much of its service area and will promptly deploy this technology to benefit ALLTEL's customers.
- For ALLTEL's existing customers, in addition to Verizon Wireless' award winning network quality and customer care, the transaction will provide access to a broader range of content, applications, devices, and service plans. Verizon Wireless has technical expertise, financial resources, and economies of scope and scale that can be leveraged for the benefit of ALLTEL's customers.
- For Verizon Wireless' existing customers, the transaction promises expanded, seamless network coverage with a uniform look and feel and greater deployment of—and increased capacity for—broadband EvDO Rev. A data services. Indeed, ALLTEL provides services in territories which often are adjacent to major metropolitan areas currently served by Verizon Wireless. In fact, the proposed transaction will enable Verizon Wireless to enter 11 new cellular market areas ("CMAs"), and parts of 43 other CMAs, where ALLTEL is licensed and Verizon Wireless holds no cellular or PCS spectrum.
- For all customers, the transaction will yield synergy savings of at least \$9 billion. As the Commission has repeatedly recognized, such savings represent a tangible and cognizable public interest benefit.
- For all wireless consumers in ALLTEL's coverage areas, the transaction provides the benefits of a stronger national competitor that will stimulate enhanced competition and competitive responses.

In addition, Verizon Wireless will honor ALLTEL's existing roaming agreements with other carriers, ensuring continuity for customers of those carriers. The public interest benefits of the proposed transaction are discussed in detail in Section II(B) below.

The proposed transaction will enhance, not harm, competition. The Applicants have, in Section II(C), discussed the appropriate product market definition and geographic scope of review. The Applicants believe strongly that developments in the wireless marketplace require re-evaluating and expanding the relevant market to be examined both geographically and with

respect to the spectrum assets. The wireless marketplace is increasingly national in nature and spectrum previously not considered available for use has recently been brought on line.

Nonetheless, the Applicants have, in the interest of expedited processing, evaluated the effects of the merger on the traditional CMA basis examining 800 MHz cellular, 1.9 GHz PCS, 700 MHz and 800 MHz specialized mobile radio spectrum. In those areas where licensed coverage between the two carriers does overlap, there is robust and well documented competition present. In such respects, any competitive assessment logically must recognize that the pool of spectrum available for Commercial Mobile Radio Services ("CMRS") has expanded dramatically. The current spectrum screen does not take account of the full range of available spectrum and therefore no longer provides a meaningful trigger for engaging in competitive analyses. Indeed, over half of the over 600 MHz of spectrum available for mobile services is currently excluded from consideration. And, as documented herein, competition is thriving and will continue to do so. Further, robust competitive forces at the national level, the lack of barriers to entry, and the lack of any risk of coordinated interaction will operate to discipline the behavior of participants in local markets and prevent competitive harm.²

In view of the foregoing, the Applicants believe that the public interest benefits clearly favor granting the requested consents. The Applicants further note that the instant transaction does not implicate any unjust enrichment payment, involve Section 310(b) concerns, require waivers of the Commission's rules, or raise other administrative complexities. Both parties have also recently been approved as legally, financially, and technically qualified to hold Commission licenses, and the non-U.S. ownership in Verizon Wireless has been previously passed upon and determined to be not contrary to the public interest. Accordingly, the Applicants believe the

² Attached as Exhibit 3 is a declaration of economists Dennis Carlton, Allan Shampine and Hal Sider, which reviews the pro-competitive benefits of the transaction.

Commission should grant the requested consents on an expedited basis. Indeed, prompt action is required to speed the deployment of wireless broadband services to rural America and to enable all consumers to enjoy the many benefits of this transaction.

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**DESCRIPTION OF TRANSACTION,
PUBLIC INTEREST SHOWING
AND RELATED REQUESTS AND DEMONSTRATIONS**

By this application and related applications¹ (the "Applications") and pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended ("the Act"), Celco Partnership d/b/a Verizon Wireless ("Cellco"), and its wholly-owned subsidiary AirTouch Cellular ("AirTouch") (jointly hereinafter "Verizon Wireless"), and Atlantis Holdings LLC ("Atlantis Holdings") hereby request the Commission's consent to the transfer of control to Verizon Wireless of Atlantis Holdings' interests in various radio station authorizations, spectrum leases,² and domestic and international Section 214 authorizations held by ALLTEL Corporation ("ALLTEL"), its subsidiaries and controlled partnerships, and partnerships in which ALLTEL has a minority, non-controlling general partner interest (collectively, "ALLTEL Subsidiaries and Partnerships"). As discussed herein, the proposed transfers of control satisfy the Commission's standards for approval, do not implicate unjust enrichment or trafficking, do not require any waivers of the Commission's rules, and accordingly can be approved expeditiously.

¹ Individual applications have been filed to transfer radio station authorizations and spectrum leases held by each of the ALLTEL Subsidiaries and Partnerships. In addition, the Applicants are concurrently filing applications on FCC Form 312 to transfer control of domestic and international Section 214 authorizations held by some of these entities. ALLTEL also directly holds an aircraft radio license, which cannot be transferred under the Commission's rules. This license will be cancelled when the proposed transaction is consummated. Concurrent with this cancellation, Verizon Wireless will submit an application requesting a new aircraft radio license. The ULS File Number provided to the applicant the Parties have designated as the lead application is 0003463892.

² ALLTEL leases spectrum in a number of markets from a variety of carriers. The disposition of these leases is discussed in Section III(J).

I. DESCRIPTION OF THE TRANSACTION

A. Verizon Wireless

Verizon Wireless serves over 67 million customers throughout the United States on the nation's most reliable wireless voice and data network.³ Verizon Wireless utilizes Code Division Multiple Access ("CDMA") technologies (voice, 1xRTT, and EvDO-Rev. A), operating on licensed 800 MHz cellular and 1.9 GHz PCS spectrum. Verizon Wireless employs over 69,000 individuals who are dedicated to delivering the ultimate experience in wireless technology. Verizon Wireless is recognized as the industry's leading wireless voice provider—a fact confirmed in recent industry surveys by J.D. Power & Associates, which awarded Verizon Wireless consistently high marks in every region for overall customer satisfaction⁴ and also ranked the company first in overall customer satisfaction for wireless data service provided to business customers.⁵ Due to Verizon Wireless' commitment to its customers, its churn rate is the lowest among major wireless carriers.⁶

³ Verizon Wireless does not hold PCS or cellular licenses in the state of Alaska, but serves the lower 48 contiguous states, the District of Columbia, and Hawaii.

⁴ See J.D. Power & Associates, *Wireless Service Ratings (Volume 1)*, available at [http://www.jdpower.com/telecom/ratings/wireless-service-ratings-\(volume-1\)](http://www.jdpower.com/telecom/ratings/wireless-service-ratings-(volume-1)) (last visited June 10, 2008).

⁵ See J.D. Power & Associates, Press Release, J.D. Power & Associates Reports: Verizon Wireless Ranks Highest in Satisfying Business Customers in Both Large Enterprise and Small/Midsize Segments, <http://www.jdpower.com/corporate/news/releases/pressrelease.aspx?ID=2008054> (May 22, 2008) (last visited June 10, 2008).

⁶ See Verizon Wireless Customer Satisfaction Milestones, <http://aboutus.vzw.com/customersatisfaction/milestones.html> (under Feb. 4, 2008 release) (last visited June 10, 2008) (noting that "[f]or the thirteenth straight quarter, Verizon Wireless reported the lowest customer churn (turnover) rate in the industry for the fourth quarter of 2007").

Verizon Wireless is a general partnership headquartered in Basking Ridge, New Jersey, that is jointly beneficially owned by Verizon Communications Inc. ("Verizon Communications") and Vodafone Group Plc. ("Vodafone"). Verizon Wireless has previously been determined to possess the legal, technical and financial qualifications required by the Communications Act to control and hold Commission authorizations. Verizon Wireless' qualifications to hold cellular and PCS licenses are a matter of public record, established and approved in various Commission decisions.⁷ Detailed information regarding the ownership of Verizon Wireless is contained in Verizon Wireless' FCC Form 602, which is on file with the Commission.⁸ There have been no changes to Verizon Wireless' qualifications. Accordingly, Verizon Wireless is qualified to hold the licenses that are the subject of these applications.⁹

⁷ See, e.g., *Applications of Northcoast Commc'ns, LLC and Cellco P'ship*, Memorandum Opinion and Order, 18 FCC Rcd 6490 (Comm'l Wireless Div. 2003) ("Northcoast Order"); *Wireless Telecomms. Bureau and Int'l Bureau Grant Consent for Assignment or Transfer of Control of Wireless Licenses and Authorizations from Price Commc'ns Corp. to Cellco Partnership*, Public Notice, 16 FCC Rcd 7155 (2001); *FCC Public Notice*, Report No. 2086 (rel. Mar. 2, 2005) (granting applications of NextWave Telecom Inc. and Cellco Partnership seeking FCC approval of the proposed transfer of control of licenses held by NextWave Personal Commc'ns Inc., Debtor-In-Possession and NextWave Power Partners Inc., Debtor-In-Possession); *FCC Public Notice*, Report No. 2018 (rel. Dec. 15, 2004) (granting applications of Qwest Wireless, LLC and Cellco Partnership seeking FCC consent to the assignment of 62 broadband Personal Communications Services licenses).

⁸ See ULS Ownership Disclosure File No. 0003464689. A proposed FCC Form 602 for Verizon Wireless post-transaction has also been filed with the Commission. See ULS Ownership Disclosure File No. 0003467172.

⁹ The Commission has previously approved Vodafone's minority, indirect, non-controlling interest in Verizon Wireless, as well as Vodafone's qualifications (as a foreign corporation) to hold indirect ownership interests in common carrier licensees pursuant to Section 310(b)(4) of the Communications Act. In Section III(A) of this Exhibit, the Applicants request that the Commission extend such previous Section 310(b)(4) ruling to the licenses and authorizations that are the subject of the Applications.

B. ALLTEL Corporation

ALLTEL is a regional carrier that currently serves over 13 million customers in small- and mid-sized cities and rural areas in 34 states throughout the Southeast and portions of the Northeast, Southwest, and upper Midwest United States. As of this filing, ALLTEL's wireless license footprint covered 125 Metropolitan Statistical Areas ("MSAs") and 265 Rural Service Areas ("RSAs").¹⁰ Thus, ALLTEL's rural cellular and PCS license footprint represents ~~approximately 90 percent of its total cellular and PCS licensed territory.~~

The ALLTEL Subsidiaries and Partnerships hold multiple 800 MHz band Cellular, 1.9 GHz PCS licenses, paging, local multipoint distribution services ("LMDS"), microwave, SMR, industrial business pool, 39 GHz, and 700 MHz lower band licenses through a number of subsidiaries. In addition, they hold a domestic Section 214 authorization and several international Section 214 authorizations. Although ALLTEL spun off its wireline business in 2006 to form Windstream Corporation, ALLTEL retained control of Kin Network, Inc., which provides tandem switching services in the state of Kansas.

Like Verizon Wireless, ALLTEL provides digital wireless communications to its customers using CDMA technology.¹¹ ALLTEL also is deploying third generation technologies such as CDMA2000 1xRTT and Evolution-Data Optimized ("EvDO")—although the slower

¹⁰ ALLTEL also holds minority, non-managing interests in a number of partnerships that hold licenses in 21 additional markets. Where the interest is attributable (*i.e.*, 10 percent or greater), those markets have been included in the overlap analysis attached hereto as Exhibit 4, unless the manager of the limited partnership was Verizon Wireless and the only overlapping spectrum was attributable to Verizon Wireless already. For example, ALLTEL holds attributable minority interests in GTE Mobilnet of South Texas Limited Partnership, GTE Mobilnet of Texas RSA #17 Limited Partnership, MODOC RSA Limited Partnership, Pittsfield Cellular Telephone Company, and Virginia 10 RSA Limited Partnership, all of which are managed by, and already attributable to, Verizon Wireless.

¹¹ While ALLTEL continues to provide analog wireless communications in some areas, ALLTEL plans to retire its entire analog network by the end of 2008.

variant of EvDO known as "Revision 0" or "Rev. 0"—to provide enhanced wireless data services. As of December 31, 2007, ALLTEL had expanded its 1xRTT data coverage to approximately 96 percent of its POPs and its EvDO Rev. 0 data coverage to approximately 76 percent of its POPs. ALLTEL also supports a Global System for Mobile Communications ("GSM") network in certain markets to serve GSM roamers.¹²

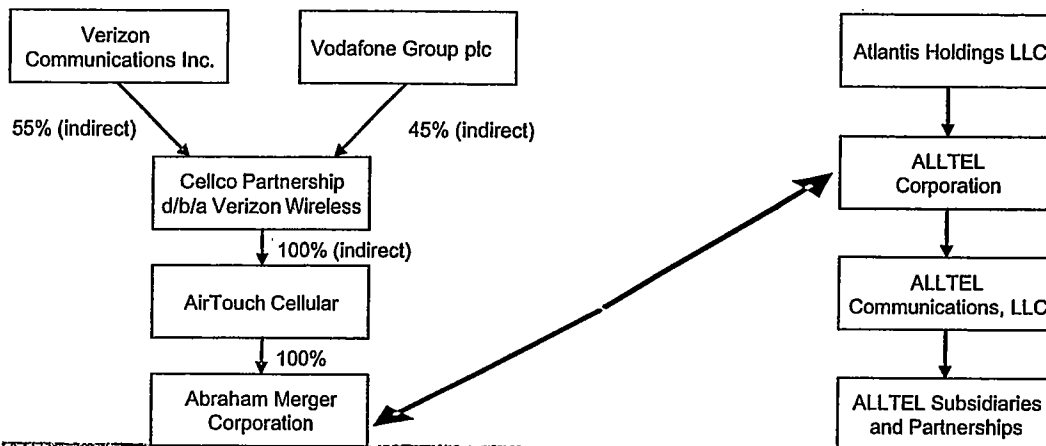
The Commission has previously found ALLTEL to be qualified to hold FCC licenses.¹³ There is no question about ALLTEL's character or ongoing qualifications to hold the subject Commission authorizations.

C. The Proposed Transaction

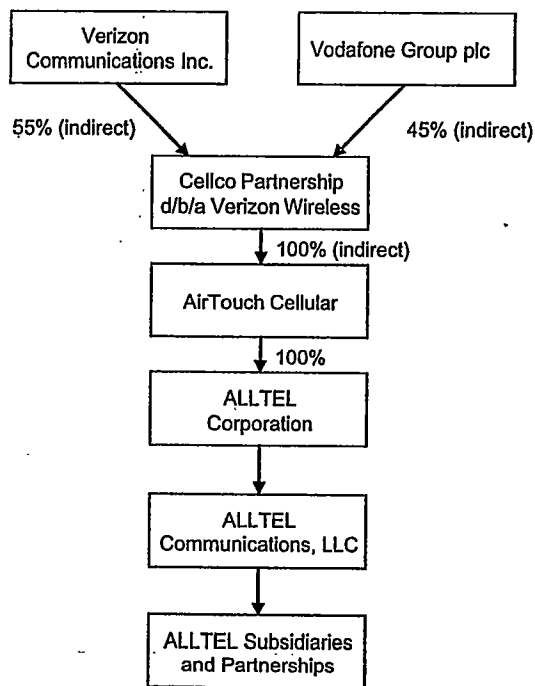
On June 5, 2008, Verizon Wireless, AirTouch, Abraham Merger Corporation ("Merger Sub"), ALLTEL and Atlantis Holdings entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to this agreement, Merger Sub, a newly formed, wholly-owned subsidiary of AirTouch, will merge with and into ALLTEL (the "Merger"), with ALLTEL continuing as the surviving corporation.

¹² Verizon Wireless intends to honor the terms of ALLTEL's roaming agreements. See p. 17, *infra*.

¹³ See, e.g., *Applications of ALLTEL Corporation, Transferor, and Atlantis Holdings LLC, Transferee, For Consent To Transfer Control of Licenses, Leases and Authorizations*, Memorandum Opinion and Order, 22 FCC Rcd 19,517, 19,519-20 (¶ 7) (2007).



After consummation of the proposed transaction, ALLTEL will be a direct, wholly-owned subsidiary of AirTouch and an indirect wholly-owned subsidiary of Verizon Wireless:



At the effective time of the Merger, each issued and outstanding share of common stock of ALLTEL will be cancelled and converted into the right to receive an amount of cash derived from the formula set forth in the Merger Agreement. Following consummation of the

transaction, interests in all FCC licenses and leases currently held by Atlantis Holdings through the ALLTEL Subsidiaries and Partnerships will be held by Verizon Wireless.

II. THE PROPOSED TRANSACTION IS IN THE PUBLIC INTEREST AND SHOULD BE APPROVED

A. The Standard of Review

Under the Communications Act, the Commission is required to determine whether the Applicants have demonstrated that the proposed transfer of control of ALLTEL's licenses, leases and authorizations to Verizon Wireless will serve the public interest, convenience, and necessity.¹⁴ In making this determination, the FCC "must assess whether the proposed transactions comply with the specific provisions of the Communications Act, the Commission's rules, and federal communications policy."¹⁵ Barring transactions that would violate a statute or rule, the FCC "considers whether [a proposed transaction] could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Communications

¹⁴ 47 U.S.C. §§ 214(a), 310(d).

¹⁵ *Applications of Midwest Wireless Holdings, L.L.C. and ALLTEL Commc'ns, Inc.*, Memorandum Opinion and Order, 21 FCC Rcd 11,526, 11,535 (¶16) (2006) ("ALLTEL-Midwest Order") (citing *Applications of Nextel Partners, Inc., Transferor, and Nextel WIP Corp. and Sprint Nextel Corp., Transferees*, Memorandum Opinion and Order, 21 FCC Rcd 7358, 7360 (¶ 7) (2006) ("Sprint Nextel-Nextel Partners Order"); *SBC Commc'ns Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18,290, 18,300 (¶ 16) (2005) ("SBC-AT&T Order"); *Verizon Commc'ns Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18,433, 18,442-443 (¶ 16) (2005) ("Verizon-MCI Order"); *Applications of Nextel Commc'ns, Inc. and Sprint Corp.*, Memorandum Opinion and Order, 20 FCC Rcd 13,967, 13,976-977 (¶ 20) (2005) ("Sprint-Nextel Order"); *Applications of W. Wireless Corp. and ALLTEL Corp.*, Memorandum Opinion and Order, 20 FCC Rcd 13,053, 13,062-063 (¶ 17) (2005) ("ALLTEL-WWC Order"); *Applications of AT&T Wireless Servs., Inc. and Cingular Wireless Corp.*, Memorandum Opinion and Order, 19 FCC Rcd 21,522, 21542 (¶ 40) (2004) ("Cingular-AT&T Wireless Order").

Act or related statutes.”¹⁶ It does so by “employ[ing] a balancing test weighing any potential public interest harms of a proposed transaction against any potential public interest benefits to ensure that, on balance, the proposed transaction will serve the public interest.”¹⁷

In this submission, the Applicants demonstrate that the proposed transaction does not violate the Act or Commission rules or policy and that the ample public interest benefits and ongoing competitiveness of the wireless industry clearly favor granting the Applications.¹⁸ As discussed below, the proposed transaction promises tremendous consumer benefits without any significant harm to competition.¹⁹ The Applicants note that even though the merger as a whole will not harm competition, to the extent competitive issues may arise in discrete markets the Applicants will address those with the Department of Justice and the FCC. Accordingly, the

¹⁶ See, e.g., *ALLTEL-Midwest Order*, 21 FCC Rcd at 11,535 (¶16); *SBC-AT&T Order*, 20 FCC Rcd at 18,300 (¶ 16); *Verizon-MCI Order*, 20 FCC Rcd at 18,442-443 (¶ 16); *Sprint-Nextel Order*, 20 FCC Rcd at 13,976-977 (¶ 20).

¹⁷ See, e.g., *ALLTEL-Midwest Order*, 21 FCC Rcd at 11,535 (¶16); *Sprint Nextel-Nextel Partners Order*, 21 FCC Rcd at 7,360 (¶ 7); *SBC-AT&T Order*, 20 FCC Rcd at 18,300 (¶ 16); *Verizon-MCI Order*, 20 FCC Rcd at 18,443 (¶ 16); *Sprint-Nextel Order*, 20 FCC Rcd at 13,976 (¶ 20); *ALLTEL-WWC Order*, 20 FCC Rcd at 13,062-063 (¶ 17); *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21,542-543 (¶ 40).

¹⁸ Moreover, this merger will not exacerbate high-cost universal service fund growth by a competitive eligible telecommunications carrier (“ETC”) because the Commission has already addressed this issue by adopting an interim cap on such support. See *High Cost Universal Service Support; Federal-State Joint Board on Universal Service*, Order, WC Docket No. 05-337, CC Docket No. 96-45, FCC 08-122 (May 1, 2008). The interim cap limits universal service support on a state-by-state basis to the total support received by competitive ETCs in March 2008. *Id.*, ¶ 26.

¹⁹ The focus of the discussion in this section is on the melding of the CMRS operations of the two Applicants as such services comprise the vast majority of ALLTEL's business. ALLTEL also has some other more limited businesses and associated licenses and authorizations (e.g., 39 GHz operations and Kansas CLEC, Kin Network, Inc.), the transfer of which to Verizon Wireless is incidental to the transaction. These businesses and licenses will also benefit from the transfer to Verizon Wireless because of the resources, expertise and experience Verizon Wireless possesses and can bring to bear on these assets. Significantly, there are no competitive harms associated with the transfer of these assets as Verizon Wireless does not compete with those business operations.

Commission should find the proposed transaction to be in the public interest and approve the Applications without delay.

B. The Proposed Transaction Will Generate Substantial Public Interest Benefits

The Commission has previously recognized the public interest benefits that flow from the merger of a regional wireless carrier with a national carrier by expanding the geographic reach of the combined entity.²⁰ Such benefits are plainly present in this transaction. Indeed, Verizon Wireless and ALLTEL have complementary footprints, with ALLTEL strong in the center of the country where Verizon Wireless lacks facilities. The transaction will allow the combined entity to reach millions of people that Verizon Wireless does not cover today. The two companies' network technologies are also compatible, allowing for rapid integration, with resulting benefits for consumers.

The proposed transaction will particularly benefit consumers in rural areas. ALLTEL currently provides services in territories within 34 states covering nearly 80 million POPs, many of which are in rural parts of the country. The transaction will enable Verizon Wireless to bring its considerable technical and managerial expertise and experience in deploying state of the art broadband technology to these rural areas of the country. Verizon Wireless has already deployed EvDO Rev. A to much of its service region. The transaction will allow it to expand this third

²⁰ See, e.g., *Applications of T-Mobile USA, Inc. and SunCom Wireless Holdings, Inc. For Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 23 FCC Rcd 2515, 2519 (¶ 10) (2008) (finding that "the proposed transaction would enable T-Mobile to expand its wireless footprint in the Southeast United States, Puerto Rico and the U.S. Virgin Islands"); *Wireless Telecomms. Bureau and International Bureau Grant Consent for Transfer of Control or Assignment of Licenses from Telecorp PCS, Inc. to AT&T Wireless Services, Inc.*, Public Notice, DA 02-331 (Feb. 12, 2002); *Applications of Pacific Wireless Techs., Inc. and Nextel of Ca., Inc.*, Memorandum Opinion and Order, 16 FCC Rcd 20,341 (2001); *ALLTEL-WWC Order*, 20 FCC Rcd at 13,108 (¶ 150) (stating that "we believe that the transaction is likely to enable the merged entity to achieve certain economies of scope and scale and operating synergies of the type asserted and that, absent the transaction, the Applicants individually could not have achieved").

generation technology—and ensuing technologies—to the many rural areas that make up most of ALLTEL's geographic footprint. In addition, the transaction will benefit all existing ALLTEL customers, by allowing them to enjoy improved quality of service, expanded network coverage, increased customer service, a greater choice of wireless services, devices, and rate plans, as well as the Open Development Initiative (“ODI”) benefits introduced to Verizon Wireless customers.

The proposed transaction will also benefit Verizon Wireless' existing and future customers, because it will enable Verizon Wireless to enter 11 new Cellular Market Areas (“CMAs”),²¹ and parts of 43 other CMAs,²² where ALLTEL is licensed and Verizon Wireless holds no 800 MHz cellular or 1.9 GHz PCS spectrum. All of these whole or partial coverage expansion markets are classified as RSAs. The proposed transaction will thus provide a larger, seamless national footprint throughout which customers of the merged company can be assured of enjoying high-quality services with the same look and feel.

²¹ These markets include CMA414, Iowa 3 - Monroe; CMA424, Iowa 13 - Mitchell; CMA425, Iowa 14 - Kossuth; CMA430, Kansas 3 - Jewell; CMA431, Kansas 4 - Marshall; CMA435, Kansas 8 - Ellsworth; CMA436, Kansas 9 - Morris; CMA441, Kansas 14 - Reno; CMA504, Missouri 1 - Atchison; CMA506, Missouri 3 - Schuyler; and CMA540, Nebraska 8 - Chase.

²² These markets include CMA325, Arkansas 2 - Marion; CMA326, Arkansas 3 - Sharp; CMA327, Arkansas 4 - Clay; CMA332, Arkansas 9 - Polk; CMA333, Arkansas 10 - Garland; CMA334, Arkansas 11 - Hempstead; CMA335, Arkansas 12 - Ouachita; CMA354, Colorado 7 - Saguache; CMA381, Georgia 11 - Toombs; CMA417, Iowa 6 - Iowa; CMA422, Iowa 11 - Hardin; CMA423, Iowa 12 - Winneshiek; CMA426, Iowa 15 - Dickinson; CMA427, Iowa 16 - Lyon; CMA432, Kansas 5 - Brown; CMA437, Kansas 10 - Franklin; CMA442, Kansas 15 - Elk; CMA457, Louisiana 4 - Caldwell; CMA497, Mississippi 5 - Washington; CMA502, Mississippi 10 - Smith; CMA503, Mississippi 11 - Lamar; CMA505, Missouri 2 - Harrison; CMA507, Missouri 4 - De Kalb; CMA518, Missouri 15 - Stone; CMA520, Missouri 17 - Shannon; CMA533, Nebraska 1 - Sioux; CMA534, Nebraska 2 - Cherry; CMA535, Nebraska 3 - Knox; CMA536, Nebraska 4 - Grant; CMA537, Nebraska 5 - Boone; CMA538, Nebraska 6 - Keith; CMA541, Nebraska 9 - Adams; CMA554, New Mexico 2 - Colfax; CMA558, New Mexico 6 - Lincoln; CMA571, North Carolina 7 - Rockingham; CMA596, Oklahoma 1 - Cimarron; CMA598, Oklahoma 3 - Grant; CMA599, Oklahoma 4 - Nowata; CMA663, Texas 12 - Hudspeth; CMA677, Utah 5 - Carbon; CMA687, Virginia 7 - Buckingham; CMA706, West Virginia 6 - Lincoln; and CMA715, Wisconsin 8 - Vernon.

Additionally, the transaction will enable Verizon Wireless to add more spectrum capacity to its existing holdings in other areas to enable it to better support the increasing demand for broadband services and applications while maintaining or increasing both the quality and capacity of existing voice services. As such, the transaction will increase Verizon Wireless' already favorable economies of scope and scale and result in Verizon Wireless increasing competition in the relevant expansion CMAs and nationally. The Commission has previously found this range of benefits favors approval of a merger,²³ and the Commission should make the same determination here.

1. The Proposed Transaction Will Benefit Rural America

The transaction will particularly benefit customers in rural America. ALLTEL's licensed footprint covers 265 RSAs and 1,455 counties defined as "rural" (*i.e.*, having a population density below 100 persons per square mile). The transaction will enable Verizon Wireless to bring its considerable technical expertise and commitment to deploying cutting-edge, high speed wireless broadband technology to these areas, many of which do not have any alternatives for wireless broadband service today.

Verizon Wireless' commitment to deploying high speed wireless broadband services to its customers is manifest. Verizon Wireless' EvDO network was the first widely-available wireless broadband network in the United States. It is already available in areas where more than 200

²³ See *SBC-AT&T Order*, 20 FCC Rcd at 18,384 (¶ 182) ("The Commission has recognized that 'efficiencies generated through a merger can mitigate competitive harms if such efficiencies enhance the merged firm's ability and incentive to compete and therefore result in lower prices, improved quality, enhanced service or new products.'") (quoting *Application of EchoStar Commc'ns Corp. (a Nv. Corp.), General Motors Corp., and Hughes Elecs. Corp. (De. Corps.) (Transferors) and EchoStar Commc'ns Corp. (a De. Corp.) (Transferee)*, Hearing Designation Order, 17 FCC Rcd 20,559, 20,630 (¶ 188) (2002)); *ALLTEL-WCC Order*, 20 FCC Rcd at 13,103 (¶ 140) ("The Commission has previously noted the consumer benefits that flow from expanded footprints.") (citing *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21,604 (¶ 217)).

million Americans reside, including 248 major metropolitan areas and 232 major airports across the country. It enables customers to access BroadbandAccess™ on their laptops, e-mail on their PDAs, and Verizon Wireless' VCast™ Video and Music services on their wireless phones.²⁴

Verizon Wireless also recently announced that its entire EvDO network now utilizes EvDO Rev. A technology.²⁵ The use of EvDO Rev. A allows Verizon Wireless' customers to access wireless services and to download files as much as ten times faster than customers of other wireless service providers that use different broadly-deployed network technologies. For mobile phones and laptop computers, customers can enjoy music, games, internet-enabled applications, and full-featured mobile video. The EvDO Rev. A network additionally makes possible new mobile emergency and safety applications, such as remote patient monitoring and mobile robotics. Services and products are also available to support vehicle assistance capabilities through VZNavigator in the form of maps and turn-by-turn directions. Such services will benefit everyone living in the broadband area, not just former ALLTEL customers, because the introduction of new services by providers invariably drives competitive responses from other providers in the intensely competitive mobile services marketplace, thereby increasing the services and features available to *all* consumers.

ALLTEL's customers—particularly those in rural areas—currently do not enjoy these types of third generation wireless broadband services. ALLTEL currently offers EvDO Rev. 0 in

²⁴ In December 2007, *Popular Science* awarded VCast™ a "Best of What's New Award" in the Gadget category. Popular Science, Best of What's New '07, at http://www.popsci.com/popsci/flat/bown/2007/gadgets/item_54.html (last visited June 10, 2008).

²⁵ See Verizon Wireless News Center, *100 Percent Of Wireless Broadband Network Now Enhanced With Faster Speeds*, June 29, 2007, at <http://news.vzw.com/news/2007/06/pr2007-06-28h.html> (last visited June 10, 2008). Verizon Wireless' high speed data services represent the most advanced wireless broadband technology with the broadest availability. As of the second quarter of 2007, Verizon Wireless' EvDO Rev. A service was available in 245 major metropolitan areas.

service areas covering 76 percent of its POPs, which is significantly slower in throughput speed than Verizon Wireless' EvDO Rev. A.²⁶ In other areas, ALLTEL offers only 1xRTT, which generally provides peak data rates of 144 kb/s—over twenty times slower than Verizon Wireless' EvDO Rev. A network. While ALLTEL plans to offer its customers EvDO Rev. A, widespread commercial availability throughout ALLTEL's network is a number of years away.

Following consummation of the transaction, Verizon Wireless will bring its technical and management expertise, as well as experience with state of the art technology, to bear for the benefit of ALLTEL customers, including those in rural areas. The company plans to move aggressively to upgrade all of ALLTEL's EvDO Rev. 0 cell sites to EvDO Rev. A; thereby increasing EvDO Rev. A covered POPs in the ALLTEL footprint to 76 percent. Verizon Wireless expects to complete that upgrade within one year after the closing date of the transaction.

Starting in 2010 and beyond, the company also plans to deploy Long Term Evolution ("LTE") technology using the 700 MHz spectrum that it recently won at auction. Because ALLTEL's network is primarily based on 800 MHz spectrum, its existing infrastructure is particularly synergistic with LTE deployment and will facilitate the extensive build-out of LTE within ALLTEL's footprint areas. In contrast, ALLTEL was planning to clear narrow slivers of PCS and cellular spectrum for LTE deployment. Clearing legacy technology from PCS and cellular spectrum can be a slow process and using narrow slivers of spectrum for LTE limits the data rates and the number of customers that can be supported on the LTE system. Using the greenfield 700 MHz spectrum enables Verizon Wireless to move more quickly with LTE

²⁶ Verizon Wireless' EvDO Rev. A network provides data rates of up to 3.1 Mbit/s (downlink) and 1.8 Mbit/s (uplink), as compared to ALLTEL's EvDO Rev. 0 network, which offers theoretical data rates up to 2.4 Mbit/s (downlink) and .15 Mbit/s (uplink).

deployment in the primarily rural ALLTEL markets and also enables the provision of higher data rates to more customers on the LTE system. Rural consumers will clearly benefit from Verizon Wireless' aggressive plans to deploy high speed broadband throughout the ALLTEL footprint.

2. The Proposed Transaction Will Provide Substantial Additional Benefits for Existing ALLTEL Customers

In addition to providing access to cutting-edge high speed broadband services, Verizon Wireless' acquisition of ALLTEL promises substantial additional benefits for existing ALLTEL customers. The transaction will permit Verizon Wireless to offer service in many areas for the first time. After the proposed transaction is consummated and ALLTEL is integrated with Verizon Wireless, ALLTEL's customers will enjoy Verizon Wireless' superior quality of service, seamless national coverage, improved customer care, access to a greater variety and quality of services and content, increased choice in wireless devices, and a broader menu of rate plans.

a. ALLTEL Customers Will Experience Improved Quality of Service

ALLTEL's customers will benefit from Verizon Wireless' commitment to quality of service and its proven track record of technical innovation. Verizon Wireless has invested \$37 billion in the last seven years to increase the coverage and capacity of its award-winning national network and to add new services. The result has been industry-leading customer satisfaction. As a result of its investment in its network and in customer services, Verizon Wireless has received the highest ranking in the fourth annual J.D. Power & Associates 2008 Business Wireless Satisfaction Study^{SM 27}. This survey queried 2,478 businesses regarding overall customer

²⁷ See J.D. Power & Associates, Press Release, J.D. Power & Associates Reports: Verizon Wireless Ranks Highest in Satisfying Business Customers in Both Large Enterprise and Small/Midsize Segments,

satisfaction. Verizon Wireless was ranked higher than all other wireless carriers in overall customer satisfaction for wireless data service, effectively meeting customer expectations and requirements of both large enterprise and small/midsize business segments. Additionally, for the fifth consecutive year, in 2008 Verizon Wireless topped the American Customer Satisfaction Index survey, scoring significantly above the industry average and higher than every other measured wireless company.²⁸ For the third year in a row, *Wireless Week* named Verizon Wireless the "Carrier of the Year," stating that "the carrier has implemented new policies," stepped out from the wireless pack and pursued an unexpected technology path for the future."²⁹

ALLTEL's customers will also benefit from Verizon Wireless' award-winning commitment to customer care. For example, Verizon Wireless' Welcome Call program ensures that every customer who signs up for or changes an existing Verizon Wireless service plan receives a Welcome Call from a Verizon Wireless customer service representative. The customer service representative reviews the service plan the customer has chosen, discusses features of the service and answers any questions that the customer may have. The Verizon Wireless "Worry Free Guarantee" program allows subscribers to test-drive the network and new equipment for 30 days and change calling plans at any time. Verizon Wireless' customer care initiatives have produced measurable successes as Verizon Wireless enjoys the highest level of customer loyalty in the wireless industry. After the fourth quarter of 2007, Verizon Wireless

<http://www.jdpower.com/corporate/news/releases/pressrelease.aspx?ID=2008054> (May 22, 2008) (last visited June 10, 2008).

²⁸ See Verizon Wireless Awards and Accolades, <http://aboutus.vzw.com/awards2008.html> (last visited June 10, 2008).

²⁹ *Id.*

announced that, for the thirteenth consecutive quarter, it had the lowest churn rate of all the major wireless companies.³⁰

Verizon Wireless' industry-leading results are directly related to meeting customers' needs, as demonstrated by its Worry Free Guarantee and commitment to deliver the best overall value proposition in the marketplace. One example of Verizon Wireless' dedication to leading the industry in value delivered to the customer is that its commitment extends to Verizon Wireless customers who elect to terminate their service during the term of their contract. Verizon Wireless was the first major carrier to prorate its customers' Early Termination Fee. These pro-consumer policies, and Verizon Wireless' ongoing commitment to providing value in the eyes of the customer, will be available to ALLTEL customers and other potential customers in the ALLTEL footprint after Verizon Wireless completes integration.

b. ALLTEL Customers Will Experience Expanded Seamless Network Coverage

As a result of the transaction, Verizon Wireless will expeditiously integrate ALLTEL's CDMA network into Verizon Wireless' existing operations. Given the compatibility of ALLTEL's CDMA network equipment with Verizon Wireless' existing CDMA network, Verizon Wireless will be able to undertake a rapid and smooth integration of these two networks.³¹ Some of the benefits of Verizon Wireless expanding its advanced network to ALLTEL's service areas are improved service quality and reliability, higher data rates and

³⁰ See Verizon Wireless Customer Satisfaction Milestones, <http://aboutus.vzw.com/customersatisfaction/milestones.html> (under heading of Feb. 4, 2008) (last visited June 10, 2008).

³¹ The map contained in Exhibit 3 highlights the new geographic areas that Verizon Wireless will enter following the proposed transaction.

improved spectral efficiency, and increased ability to meet public safety requirements and emergency preparedness.

Following this integration, ALLTEL's customers will enjoy seamless wireless coverage throughout Verizon Wireless' entire footprint—after consummation of the proposed transaction, Verizon Wireless' network will have substantial population coverage in every state with the exception of Alaska (where Verizon Wireless is not currently licensed to operate).³²

Importantly, ~~the uniformity of the combined network and support systems will permit~~ subscribers to have a consistent look, feel and quality of service important to enhanced customer satisfaction through this entire area. The services that customers grow to enjoy locally will thus be seamlessly available to them as they travel throughout the country.

In addition to providing ALLTEL's (and Verizon Wireless') customers with much more seamless coverage across the nation, Verizon Wireless will continue to provide roaming services to customers of other wireless carriers. ALLTEL currently has various agreements with other carriers to provide roaming on ALLTEL's CDMA and GSM networks. Upon closing of the transaction, Verizon Wireless will honor all of the terms of those CDMA and GSM roaming agreements, thereby ensuring that other carriers' customers will continue to enjoy roaming service.

³² See *ALLTEL-WWC Order*, 20 FCC Rcd at 13,103 (¶ 140) ("The Commission has previously noted the consumer benefits that flow from expanded footprints."); *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21,604 (¶ 217) ("With a larger footprint, not only can a carrier offer competitive service to more consumers across the country, but also its customers may enjoy enhanced service and/or lower prices because of factors such as the wider area in which the carrier's full handset functionality is operative and the carrier's lessened reliance on roaming agreements to fill out its coverage.").

c. ALLTEL's Customers Will Have Access to a Greater Variety of Services and Content

The transaction will enable ALLTEL customers to access the much broader range of mobile music, video, television and other multimedia services offered by Verizon Wireless. Currently, content options for ALLTEL subscribers are limited. In contrast, Verizon Wireless offers its customers the latest in business information, entertainment, and gaming services and content. Verizon Wireless' exclusive services include VCast™—which was the first true 3G wireless broadband consumer multimedia service in the country. VCast™ allows customers to view video on demand and graphics for 3D games because it runs on Verizon Wireless' EvDO Rev. A network. VCast™'s range of services includes VCast™ Music, VCast™ Video, and VCast™ Mobile TV,³³ all of which offer content from the country's most popular entertainment and information sources.

- VCast™ Music is the world's most comprehensive mobile music service with a library of more than two million songs from well-known and independent artists. VCast™ Music allows Verizon Wireless' customers to download music over the air directly to their wireless phones and to their Windows XP PCs, and transfer new and existing digital music from the PC to their wireless phones. Music lovers can also take advantage of Verizon Wireless's recently launched VCast™ Song ID service, the only service in the United States that enables users to capture information about a song immediately, over-the-air, and then buy a Ringtone, Ringback tone or full-track song, in one seamless process.
- VCast™ Video offers full-motion video clips of the latest news, sports scores and plays, weather, 3D games, entertainment and more, directly on their wireless phones. Updated regularly, customers can get entertainment in ten categories, including Music, Showcase, Comedy, News, Sports, Net's Best, TV to Go, Latino, Kids, and Spiritual.
- VCast™ Mobile TV gives customers full-length broadcast-quality television programs on their wireless phones. Through its relationship with Qualcomm's MediaFLO venture, VCast™ Mobile TV is available to Verizon Wireless subscribers

³³ VCast™ Mobile TV services are integrated with Verizon Wireless' 3G data services, but content is provided via Qualcomm's MediaFLO service using 700 MHz spectrum.

in more than 30 of the nation's largest cities and operates 24 hours a day, bringing viewers content from many of the world's best-known entertainment brands.

Verizon Wireless' national coverage and over 67 million subscribers are very attractive to corporate partners, allowing Verizon Wireless to offer cross-brand applications and a full array and diversity of content. For example, Verizon Wireless has paired with ESPN to provide access to ESPN's regularly updated video clips, providing consumers with the latest sports news and information, game analysis and reporting from ESPN experts and personalities, highlights from college football and basketball games, fantasy games, statistical analysis and reviews, X Games and ESPN original programming. Other popular sources of video content available through Verizon Wireless include YouTube, CBS, Comedy Central, Fox, MTV, NBC News, NBC Entertainment and Nickelodeon, ABC News Now, Fox Sports, Country Music Television, Just for Laughs, CNN to Go, ET to Go, the Wall Street Journal, AccuWeather.com, The Weather Channel, Sesame Street, Maxim, Atom Films, and Heavy.com. Verizon Wireless also has paired with multiple game developers to provide a wide variety of state-of-the-art mobile games, including SEGA's Sonic The Hedgehog, Hands on Mobile's Guitar Hero III Mobile, Nickelodeon Kids and Family Group's AddictingGames' Qwikies, and Mobitween's Mobigamz. The transaction will enable ALLTEL customers to enjoy access to such expanded content and services. Verizon Wireless also offers other services using Global Positioning System data, including Chaperone, which gives parents the ability to identify the location of their child's phone, and VZNavigator, which provides driving directions and map information.

d. Verizon Wireless' Open Development Initiative Allows ALLTEL Customers Access to a Greater Number of Devices and Applications

The transaction also will provide ALLTEL's customers with access to third-party devices and applications because of Verizon Wireless' groundbreaking Open Development Initiative